

## HAWAII STATE ETHICS COMMISSION

### Instructions for Disclosure of Financial Interests Short Form

**QUESTIONS?** If you have any questions regarding the following instructions, contact the Hawaii State Ethics Commission for assistance at (808) 587-0460.

**WHO MUST FILE** HRS §84-17(c) lists the officers and employees, including board and commission members, who are required to file disclosures; HRS §84-17(d) identifies the disclosures that are available for public review.

For the purposes of HRS §84-17(c)(2), the terms "purchasing agent" and "fiscal officer" refer to employees who exercise significant authority over purchasing and/or fiscal matters.

**WHEN MUST A FINANCIAL DISCLOSURE FORM BE FILED?** Initial Statement: within thirty days of being elected or appointed to a state position required to file a financial disclosure.

Annual Statement: between January 1 and May 31 of each year.

**WHICH FINANCIAL DISCLOSURE FORM MUST BE FILED?** In even-numbered years, all filers must complete and file a long form of disclosure. In odd-numbered years, persons who filed a long form for the preceding disclosure period may use a short form of disclosure to update their filings and report any changes. A short form may be used only where a person's financial interests are substantially the same as those reported for the preceding period. "Substantially the same" means that there are no more than 10 amendments or changes to the information reported for the preceding disclosure period. Persons with more than 10 changes to report must file a new long disclosure form.

**IMPORTANT: WHAT TIME PERIOD DOES THE FORM COVER? WHAT DOES THE TERM "DISCLOSURE PERIOD" MEAN?**

This short form covers the period from the date of your last filing of a financial disclosure form to the date of your current filing. This is the "disclosure period," the period of time for which you must disclose all pertinent information and report any changes that may have occurred since your last filing.

**WHERE MUST THE FINANCIAL DISCLOSURE FORM BE FILED?** The financial disclosure form must be filed with the Hawaii State Ethics Commission, 1001 Bishop Street, American Savings Bank Tower, Suite 970, Honolulu, Hawaii or mailed to the Hawaii State Ethics Commission, P. O. Box 616, Honolulu, Hawaii 96809.

**WHAT INTERESTS MUST BE DISCLOSED?** HRS §84-17(f) lists those interests that must be disclosed. These include the source and amount of income of \$1,000 or more received during the preceding calendar year for services rendered; ownership or beneficial interests in a business having a value of \$5,000 or more or equal to ten percent of the ownership of the business; fiduciary relationships held in a business; the name of creditors to whom the value of \$3,000 or more was owed; real property in which an interest is held whose value is \$10,000 or more; creditor interests, having a value of \$5,000 or more, in an insolvent business; and clients represented before state agencies. ***Note that the disclosure of financial interests shall disclose, in addition to the financial interests of the person disclosing, the financial interests of the person's spouse and dependent children.***

**IMPORTANT: PENALTIES FOR FAILURE TO FILE OR FILING LATE** HRS §84-17(i) states that failure of a legislator or employee to file a disclosure of financial interests constitutes a violation of chapter 84, HRS. In addition, penalties may include (but are not limited to) reprimand, probation, demotion, suspension or discharge. The Commission may assess monetary penalties against persons who fail to file a financial disclosure statement when due. Failure to file a disclosure by the applicable deadline will result in an initial penalty of \$50. The Commission will notify a person by registered mail of the failure to file. Failure to file a disclosure by 4:30 p.m. on the tenth day after the notification has been mailed will result in an additional penalty of \$10 for each day a disclosure remains unfiled. The Commission may waive any penalties assessed for good cause shown. The filing of an incomplete or false disclosure also constitutes a violation of chapter 84. Persons who have filed disclosures but have

not reported all financial interests as required by law should immediately contact the Hawaii State Ethics Commission for further instructions.

## **GENERAL INSTRUCTIONS**

Forms are available from the Hawaii State Ethics Commission or may be downloaded from the Commission's website at [www.hawaii.gov/ethics](http://www.hawaii.gov/ethics).

Step 1: On the first page of the short form, fill out the requested information. This information is for the internal use of the Hawaii State Ethics Commission.

Step 2: On the second page of the short form, complete the heading by providing your name, your state position, the name of your department, agency, board, or commission, and your term of office, if any.

Step 3: You are required to report changes in your interests and the interests of a spouse and any dependent children since the last filing of your financial disclosure form.

**If you have no changes to report since your last filing**, check the box next to number 1 ("I have no changes to report since my last filing").

**If you have changes to report since your last filing**, check the box next to number 2 ("I have the following changes to report since my last filing") and report any changes that occurred in the spaces provided. In reporting any changes, indicate whether a financial interest belongs to you (filer), a spouse, a dependent child, or is jointly held by you and your spouse. In the first column, write "F" for filer, "SP" for spouse, "DC" for dependent child, or "JT" for jointly held. In the second column, indicate whether the change in interests is an addition of an interest, deletion of an interest, or any other change by writing "A" for addition, "D" for deletion, and "C" for any other change. Report any changes by following the "Item By Item Instructions" below.

Step 4: Sign the **certification** at the bottom of the form and fill in the date on which you sign the form. The filing is not valid without an original signature.

Step 5: Make sure you retain a copy for your records and keep it for reference for future filings.

Step 6: File your completed form with the Hawaii State Ethics Commission.

## **DEFINITIONS**

The following definitions, set forth in HRS §84-3, must be adhered to as you complete the form:

"Business" includes a corporation, partnership, a sole proprietorship, a trust or foundation, or any other individual or organization carrying on a business, whether or not operated for profit.

"Compensation" means any money, thing of value, or economic benefit conferred on or received by any person in return for services rendered or to be rendered by oneself or another.

"Employment" means any rendering of services for compensation.

"Financial interest" means an interest held by an individual, the individual's spouse, or dependent children which is:

1. An ownership interest in a business.
2. A creditor interest in an insolvent business.
3. An employment, or prospective employment for which negotiations have begun.
4. An ownership interest in real or personal property.
5. A loan or other debtor interest
6. A directorship or officership in a business.

"State agency" includes the State, the legislature and its committees, all executive departments, boards, commissions, committees, bureaus, offices, the University of Hawaii, and all independent commissions and other establishments of the state government but excluding the courts.

### **ITEM BY ITEM INSTRUCTIONS**

Consult the long disclosure form that you previously filed for assistance in reporting any changes to these items.

These instructions explain the information required by each of the specific items noted in the form. Where an item calls for the stating of a dollar amount, you may indicate the value of the interest by using the appropriate letter from the following code:

#### **Financial Amount Code**

A	Less than \$1,000
B	At least \$1,000 but less than \$10,000
C	At least \$10,000 but less than \$25,000
D	At least \$25,000 but less than \$50,000
E	At least \$50,000 but less than \$100,000
F	At least \$100,000 but less than \$150,000
G	At least \$150,000 but less than \$250,000
H	At least \$250,000 but less than \$500,000
I	At least \$500,000 but less than \$750,000
J	At least \$750,000 but less than \$1,000,000
K	At least \$1,000,000 or more

For example, for Item 1 of the disclosure form, if your income from an employment source is \$45,000 per year, you may indicate your compensation by using the letter "D" from the financial amount code in place of stating the exact dollar amount of your income.

**Item 1. Income For Services Rendered For Preceding Calendar Year:** You must report the source and amount of all income of \$1,000 or more, for services rendered, received during the preceding calendar year. The term "source" includes any state or other government agency. You must report the name of the source of the income, the amount of income received, and the nature of the services provided. For example, if you are employed by a business, then report the name of the business, the amount of income received during the preceding calendar year, and the nature of the services you provided to the business. When disclosing the source, provide the complete name (not acronyms), and the address of the business or source from which the income was derived. The interests of a spouse and any dependent children must also be reported.

**Item 2. Ownership or Beneficial Interests in Businesses:** You must report the amount and identity of every ownership or beneficial interest held by you, a spouse, or any dependent children in any business incorporated, regulated, or licensed to carry on business in the State where that interest has a value of \$5,000 or more or is equal to 10% or more of the ownership of the business. Report the complete name (not acronyms) and address of the business, the kind of activity the business is engaged in, and the nature of your, a spouse's, or any dependent children's interest in the business. If you, a spouse, or any dependent child is a shareholder, you must report the number of shares owned or the approximate value of the stock.

Note that you need not report interests in the form of an account in a federal or state-regulated financial institution, mutual insurance policies, or individual items in a mutual fund or blind trust if the mutual fund or blind trust has been otherwise disclosed under this item.

**Retirement Accounts:** You need not report retirement accounts such as 401(K)s and IRAs.

**Item 3. Transfer of Ownership or Beneficial Interest in Businesses:** If an ownership or beneficial interest reported in Item 2 was transferred during the disclosure period, indicate the date of the transfer.

**Item 4. Creditors:** You must report the name and address of each creditor to whom \$3,000 or more was owed during the disclosure period by you, a spouse, or any dependent children. Accounts of a business entity payable in the ordinary course of business need not be reported. Debts arising out of retail installment transactions for the purchase of consumer goods also need not be reported. You are required to report the original amount owed and the present amount owed.

**Item 5. Officerships, Directorships, Trusteeships:** You are required to disclose every officership, directorship, trusteeship, or other fiduciary relationship held during the disclosure period by you, a spouse, or any dependent children in a business, including corporations, associations, unions, partnerships, trusts or foundations, and nonprofit businesses and associations. You must also indicate the annual compensation received, if any, and the term of office.

**Item 6. Interests in Real Property Held in the State:** You are required to disclose the tax map key number and street address, if any, and the value of any interest in any real property in the State in which you, a spouse, or any dependent children held an interest whose value is \$10,000 or more during the disclosure period. The value of the real property interest may be computed in any reasonable manner. You may, for example, compute the value from the property's assessed valuation.

**Item 7. Interests in Real Property Acquired:** You are required to disclose any interest in real property, if the interest has a value of \$10,000 or more, acquired by you, a spouse, or any dependent child during the disclosure period. You must report the amount that was paid for the property and the nature of the consideration paid, i.e., whether the payment was in cash, exchange, agreement of sale, etc. You must also provide the name of the person from whom the property was acquired (the person receiving the consideration). You must also report the tax map key number and the street address, if any, of the real property in which the interest was acquired.

**Item 8. Interests in Real Property Transferred:** For this item, the method of reporting is the same as that indicated for Item 7. Here, however, you must report any interest in real property, if the interest has a value of \$10,000 or more, transferred during the disclosure period, the amount received and the nature of the consideration (cash, exchange, agreement of sale, etc.), the tax map key number, and the street address. You must also provide the name of the person to whom the property was transferred (the person furnishing the consideration).

**Item 9. Clients Personally Represented Before State Agencies:** You are required to report the name of any client you personally represented before state agencies for a fee or compensation during the disclosure period. You must also report the names of the particular state agencies involved. For example, if you represented a client before a particular state board, then report the name of that board. If the representation involved ministerial matters or involved representation of a person in your state capacity where you received no additional compensation (aside from your state salary), the representation need not be disclosed. You need not report clients personally represented before the courts.

**Item 10. Creditor Interests in Insolvent Businesses:** You are required to report the amount and identity of every creditor interest in an insolvent business held by you, a spouse, or any dependent children during the disclosure period. Only interests having a value of \$5,000 or more need to be disclosed. An insolvent business is one that is unable to pay debts as they become due. Disclose the name and address of the business, the nature of the business, the nature of the interest held, and the value of the interest held.

**IMPORTANT:** You must sign and date your disclosure form.